



STATE OF WASHINGTON

December 2, 2009

Dear Chief Financial Officer:

In recent weeks, the state's major provider associations, individual providers, and stakeholders have expressed concern that providers have not had enough opportunity to fully test with ProviderOne, the state's new Medicaid payment system. The Department of Social and Health Services (DSHS) agrees additional testing opportunities are needed and has acquired additional federal funding to provide expanded provider readiness testing and technical support services.

DSHS urges providers to take advantage of this opportunity to ensure continuity of payment.

Expanded Testing Opportunities

All providers will have the opportunity to participate in this expanded testing opportunity as follows:

1. Expanded Testing for three (3) months *before* go live
2. Expanded Testing for one (1) month immediately *after* go live
3. Limited HIPAA format or electronic data interchange (EDI) testing throughout ProviderOne operations

DSHS *strongly urges* all providers to participate in the initial three-month testing period to verify your ability to submit claims that comply with the new ProviderOne billing requirements *before go-live*. Claims that do not comply with new ProviderOne requirements *will deny*. Today, approximately 30% of DSHS claims **deny due to billing errors**. Based on other states' experiences, denial rates after implementation of a new payment system typically *double* until providers adjust to the new billing requirements. We would like to mitigate potentially high denial rates in Washington through this enhanced testing period.

Please take advantage of the new testing period to ensure continuity of payments to providers and continuity of services for clients.

Testing and Go Live Schedule

The new expanded testing environment will be available no later than **January 4, 2010**. Based on approved funding for additional testing, DSHS anticipates implementation of ProviderOne in an early April timeframe. We encourage all providers to complete prerequisite activities for testing before early January so you can realize the full potential of the 3-month testing window.

If you have any questions or concerns, please call ProviderOne at 1.800.562.3022 (select option 2, then 4) or via email at providerone@dshs.wa.gov.

Thank you for your patience and cooperation during this large undertaking. By working together, we are confident we can meet our shared goals.

Sincerely,

Susan N. Dreyfus
Secretary
Department of Social and Health Services

Tony Tortorice
Director
Department of Information Services